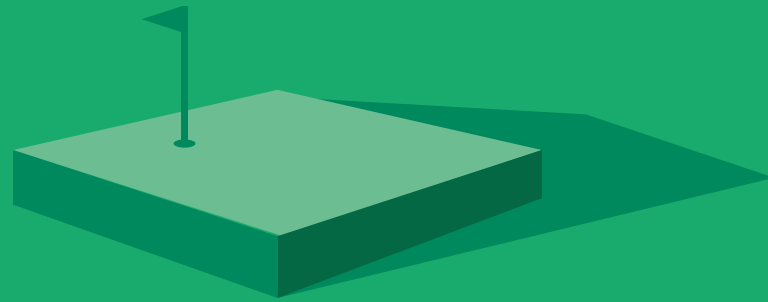


Service IQ
SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR —— Taupō–Lakes ——



2017/2018

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Introduction

Taupō-Lakes is a special place with a serious future in tourism. Great service experiences are key in supporting the vibrant district. The Taupō-Lakes service sector must be among the very best to meet the expectations of visitors from all over the world.

Local businesses can boost their success through developing a workforce capable of delivering a world-class customer experience.

#servicesuccessnz

ServiceIQ

ServiceIQ is the industry training organisation for the aviation, hospitality, retail and retail supply chain, travel, tourism and museums sectors – the service sector. We are recognised by government to set skill standards in the service sector and to arrange training in the workplace.

ServiceIQ is owned by industry. We work to empower and motivate people to provide great service to help businesses remain competitive, and for New Zealand to be internationally recognised as a great place to live or visit.

ServiceIQ advocates on behalf of industry for workforce development, and provides a national perspective and leadership for the service sector.

All employment, occupation, demographic and business data underpinning our regional and national work is supplied by Infometrics.

ServiceIQ developed the Service Sector Workforce Development Plan 2015 following extensive industry consultation over a two-year period. The Plan has been agreed by industry and is owned by industry. The Plan articulates a shared vision for the sector to respond to the challenges and changes it is facing, and a framework for workforce development.

The framework encapsulates the three primary levers a sector can use to develop the skills of the workforce; that is: attraction and retention, skill development, and skill utilisation. This framework has six priority actions and these underpin our workforce development activities. The priority actions are:

- ▶ Attract and retain people with the right attitude and aptitude
- ▶ Increase the number of able school leavers transitioning into the sector
- ▶ Increase access to and engagement with training
- ▶ Develop and maintain high quality qualifications and programmes that meet the needs of industry
- ▶ Increase productivity by developing core skills
- ▶ Improve business and management capability.

These priorities have been chosen because they are the most likely to have a significant impact on increasing business productivity and growth, and closely align to the primary levers.

Service sector workforce roadmap for Taupō-Lakes

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides a Taupō-Lakes orientation and focus point for the six priorities, and provide a means for creating concrete, detailed actions for realising the vision for the service sector.

A service sector workforce roadmap is a plan to meet forecast workforce growth in a region over the next five years. The plan's demand side will include detailed forecasts of workforce changes including changes in workers, changes in occupations, and changes in skill levels. The supply side will outline how we can harness regional knowledge and innovation, to create industry led solutions that best meet those workforce needs.

Pivotal to the success of these plans is collaboration with key organisations in the region, including city councils, regional tourism organisations, iwi, major companies, and tertiary education organisations.

The roadmaps will link supply and demand for skills, better connect different parts of the tertiary sector, provide information to young people about where there are likely to be opportunities, and ensure that there is a pipeline to meet future sector needs.

Developing a service sector roadmap for Taupō-Lakes

ServiceIQ hosted two workshop meetings in Taupō-Lakes in August and September 2016. Representatives from local businesses, membership bodies, government, tertiary and compulsory education providers, and business groups were in attendance in the meetings. In the workshops, the groups developed a vision for the service sector in Taupō-Lakes and established a range of strategies for achieving this vision, which formed the basis of the roadmap. A first draft of the roadmap was developed in late 2016 and tested with members of the workshop groups for coherency and accuracy.

Critical success factors

The success of the regional roadmap action plan is dependent on the Taupō-Lakes service industry taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Taupō-Lakes service sector workforce roadmap action plan.



Current position

New Zealand's largest lake is a popular destination, and the Taupō-Lakes district encompasses a number of well-established tourist sites. Taupō-Lakes' economy has been growing since 2011, and the district will continue to look to the tourism/events sector as a key industry strength to drive further economic growth and development.¹

As well as high visitor numbers, the Taupō-Lakes district has a resident population of 35,600. The service sector brings life to a community, and a great service sector is what helps make a town or city liveable. As such, the service sector makes a significant contribution to the district in addition to sustaining the tourism economy.

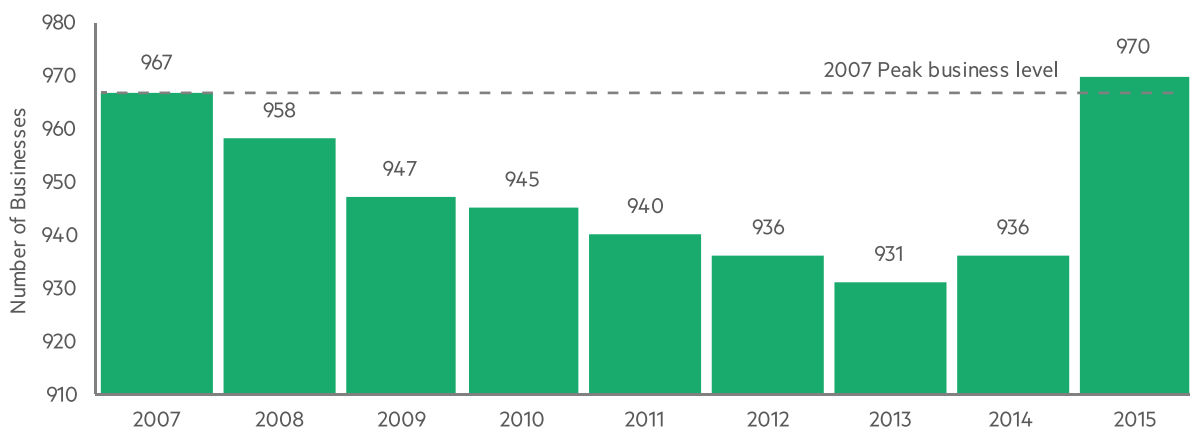
The service sector covers:

- ▶ Accommodation
- ▶ Aviation
- ▶ Cafés, Bars and Restaurants
- ▶ Catering
- ▶ Clubs
- ▶ Museums
- ▶ Quick Service Restaurants
- ▶ Retail and Retail Supply Chain
- ▶ Tourism
- ▶ Travel

Service sector in Taupō-Lakes

In 2015, the service sector contributed \$274 million (in 2010 prices) to GDP in the Taupō-Lakes district. This equates to 15 per cent of the district's GDP. By comparison, forestry and logging contributed \$128 million or seven per cent of the GDP, and dairy cattle farming contributed \$104 million or six per cent. The service sector accounted for just over 20 per cent of businesses in the district (970 business units) and employed 29 per cent of the workforce or 4,941 people. While the number of service sector businesses declined between 2008 and 2013, the last two years have seen a reverse trend and 2015 surpassed the previous 2007 peak level of 967 businesses.

Service sector businesses in the Taupō-Lakes District

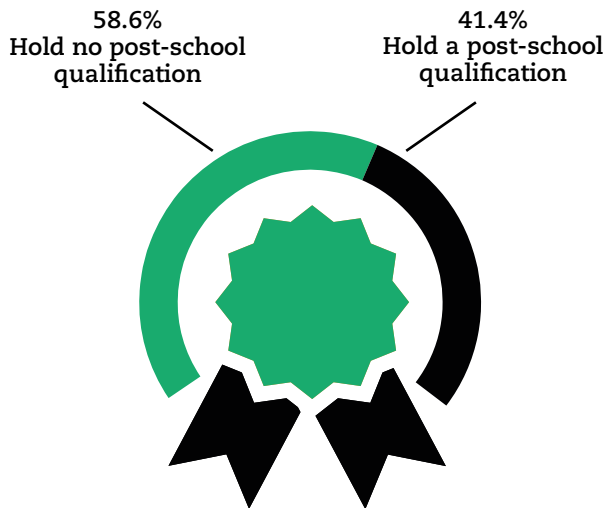


Unsurprisingly, employment in the service sector in Taupō-Lakes also declined between 2008 and 2013; it is now on the increase and this is forecast to continue to 2020 reaching a peak of 5,157 jobs. The expected growth in service sector employment, averaging 0.9 per cent per annum over the next four years, combined with an attrition rate of approximately 4.5 per cent per year will result in the service sector needing to fill an estimated 1,382 roles by 2020.

¹ Great Lake Taupō (June Quarter 2016) Taupō District Economic Monitor

Productivity in the Taupō-Lakes service sector workforce is less than in the national service sector; in 2015 GDP per FTE was \$66,043 compared to the national average of \$82,202. Over the past five years, however, it has been increasing at a faster rate than the national GDP per FTE (two per cent per year on average) and more than double the rate of increase in productivity of the total workforce in Taupō-Lakes.

The service industry tends to be reliant on younger workers, who are perhaps more comfortable accepting certain terms and conditions for a shorter period. The Taupō-Lakes service sector reflects this with the largest percentage of workers aged 15-19 years old. However, the workforce is ageing in line with national trends; from 2006 to 2013 the percentage of workers under 24 years old dropped by over 3 per cent while there was a significant increase in those over 55 years old.

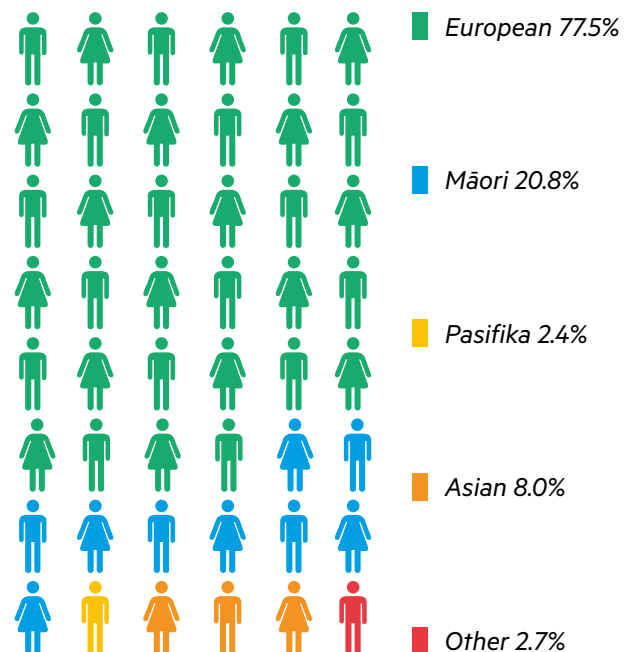


Service sector workers in Taupō-Lakes are less likely than their service sector counterparts across the rest of the country to have a post-school qualification (58.6 per cent have no post-school qualification compared with 53.9 per cent for the rest of the country). This has decreased from 2006 where 63 per cent of the service sector in Taupō-Lakes had no post-school qualification and the higher proportion of the Taupō-Lakes workforce under 19 may drive lower qualification levels, as most will still be in school or tertiary-level training. However, the optimal qualification level for the majority of work in the service sector is in Levels 1 to 3 (on the ten-level New Zealand Qualifications Framework).

The service sector nationally is becoming increasingly diverse, and Taupō-Lakes is moving further in this direction. Fewer workers were born in New Zealand, 77.7 per cent in 2013 compared with 83.1 per cent in 2006. The biggest increase can be seen in workers born in Asia, 7.3 per cent in 2013 compared with 3.2 per cent in 2006.

While the service sector in Taupō-Lakes is still strongly European (77.5 per cent compared with 74 per cent nationally), an increasing percentage of the workforce is identifying as Asian and Pasifika (8.0 per cent Asian in 2013 compared with 3.9 per cent in 2006 and 2.4 per cent Pasifika in 2013 compared with 2.0 per cent in 2006). Māori made up over a fifth of the Taupō-Lakes service sector workforce (20.8 per cent in 2013), which is higher than the national service sector workforce, but the number has decreased from 2006 and the percentage is lower than the overall Taupō-Lakes workforce identifying as Māori (22.3 per cent in 2013).

Ethnicity of the Taupō-Lakes service sector



Challenges to supply and demand facing Taupō-Lakes

Nationally, the changing characteristics and expectations of the sector's workforce and customers are likely to be influencing and shaping the sector over the next five to ten years. Advancing technology is also offering new ways for the sector to engage with its customers, and in turn, this is offering new ways for engaging service sector professionals in skill development.

By 2020 the Taupō-Lakes district is forecast to have over 1,300 job openings. The rate of job openings, including new jobs, voluntary attrition and retirement, averages at 5.5 per cent per annum.

Employee turnover costs between 50 to 300 per cent base salary per person². Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing staff is at least \$23,845.

The forecast growth in both the number of service sector roles and the number of businesses in the Taupō-Lakes district will mean it is more important than ever to attract and retain employees.

(A review of forecast supply for each sector is included as an Appendix).

Strengthening the growth of tourism

Taupō-Lakes has a mature and well-established tourism industry but it has had limited growth in the numbers of international and domestic tourists over the past decade. More recently, however, Taupō-Lakes has experienced increases in the numbers of visitors, particularly from Asia³.

Accelerating the growth of Māori enterprise

Māori make a significant contribution to Waikato's economy, both in terms of the labour force and business. Close to 21.9 per cent of Waikato's population identify as Māori, and Māori comprise 14.8 per cent of the service sector workforce in Waikato (6,473 people); in

Taupō-Lakes it is 20.8 per cent. Huge opportunity exists

for accelerating the growth of businesses already operating in the region, and Taupō-Lakes more particularly, but also in realising opportunities, particularly those relating to tourism.

Māori make a significant contribution to Waikato's economy, both in terms of the labour force and business

Strong competition for entry-level workers

New Zealand's service sector is facing strong competition for entry-level workers, as the number of young people relative to the population decreases. Waikato has a relatively high proportion of young people not in employment, education or training (NEET)⁴, which represents a possible source of new service sector talent, particularly among its young Māori, and the picture is likely similar in Taupō-Lakes. The relative proportion of NEETs may also suggest challenges relating to work readiness and capability relevant to the workplace. Taupō-Lakes' service sector also has an opportunity in the potential redeployment or retraining of the existing workforce, as the numbers of people aged 50 and older employed in the service sector has been steadily increasing.

² New Zealand Turnover Survey (April 2016)

³ Great Lake Taupō (December Quarter 2014) Taupo District Economic Monitor

⁴ MartinJenkins and Beca (2013) Economic development issues and opportunities: Final report

Availability of skilled workers

New Zealand is competing for workers in a global marketplace, and Taupō-Lakes is no different. 32 per cent of roles in the service sector are considered medium-high and high skilled, which equates to a qualification at Level 5 or higher. Taupō-Lakes' service sector workforce currently has 16.8 per cent qualified at Level 5 or higher, which is an increase since 2006, but not at the levels required to keep up with the changing demands of the industries and this could indicate a possible skills gap for people currently working in the sector. The continuous flows of workers out of the service sector and a reliance on casual and temporary workers has the potential to impact on a business' capacity for training and for growing the capability of its staff.

*Taupō-Lakes' service sector workforce currently has **16.8%** qualified at **Level 5 or higher**, which is an increase since 2006, but not at the levels required to keep up with the changing demands of the industries*

High rates of staff turnover

Many parts of the service sector are characterised by relatively high staff turnover based on the structure of the industry.

Youth are more likely to consider work in the service sector as a stepping stone to other sectors, rather than a career option. Factors that may contribute to a high turnover rate include higher wages in other industries, the expectations of some workers regarding work environments and advancement opportunities, and possible attitudes towards work.

*Youth are more likely to consider work in the service sector as a **stepping stone** to other sectors, rather than a **career option***

The service sector is labour intensive and in this environment good human resource practices and leadership competencies are critical to supporting and managing the workforce.

Other issues of note for Taupō-Lakes include general infrastructure and air travel connectivity.

— *One* —

visitor experience

When the

Taupō-Lakes

service sector

works together,

everyone

— **wins** —

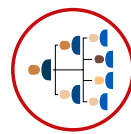
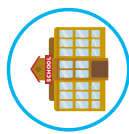
By 2021:

- ▶ A consistent visitor experience linked to what visitors really want
- ▶ A flourishing regional economy attracting skilled workers and families
- ▶ The service sector is seen as a good career choice with a wide range of opportunities

Initiatives for the Taupō-Lakes service sector



	2016				2017				Future				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Attract and retain people with the right attitude and aptitude	1.1 Identify the service sector ambassadors, champions and outstanding providers												
	1.2 Use a collective approach to form a "Taupō-Lakes experience" strategy												
Increase the number of school leavers transitioning into the sector	2.1 Increase the number of Gateway programmes operating with Taupō-Lakes schools												
	2.2 Utilise ambassadors to engage with youth in schools												
Increase access to and engagement with training	2.3 Deliver ServiceIQ Māori cultural tourism camp												
	3.1 Develop insights into return on investment in training												
	3.2 Embed standards and qualifications into the ambassador network												
Develop and maintain high quality qualifications and programmes that meet the needs of industry	4.1 Develop a campaign and programme specific to the Taupō-Lakes district												
	4.2 Increase the number of Taupō-Lakes businesses with staff engaged in training												
Improve business and management capability	6.1 Establish a Taupō-Lakes leadership and skills group												



Mobilise resources, assign owners, and agree to action plans



Attract and retain people with the right attitude and aptitude

To help the sector thrive, effort must be put into attracting the right people and retaining them.

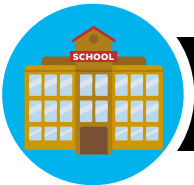
The right people have strong core skills, a good work ethic, and a customer-focused attitude.

Attracting the right people involves raising the profile of the services sector and persuading prospective workers of the potential career and lifestyle possibilities.

To maximise utilisation of skills, and generate a return on investment in training and reduce the cost of turnover, people need to continue working in the sector for longer.

Creating incentives for people to stay in the sector through developing clear career pathways and offering realistic progression opportunities will keep valuable skills in the sector.

#	Initiative	Description
1.1	Identify the service sector ambassadors, career champions, and outstanding service providers.	Business leaders working in and contributing to the service sector in Taupō-Lakes have great stories to share. Celebrating service sector successes can change the negative perception of the service sector as a career choice (see also 2.2, 3.2 and 6.1).
1.2	Use a collective approach to form a 'Taupō-Lakes experience' strategy.	Establishing a collective 'Taupō-Lakes experience' through a visible network with buy-in from key associations, such as the Chamber of Commerce, would attract in more businesses and promote the service industry to the community.



Increase the numbers of able people transitioning to work

Young people bring energy and new ideas into the service sector.

Ensuring strong connections between schools and tertiary providers, schools and workplaces, helps to create and sustain a pipeline into service sector careers.

#	Initiative	Description
2.1	Increase the number of Gateway opportunities operating with schools in the Taupō-Lakes area.	The service sector is generally not perceived as a good career option for young people. A continued focus on providing people still in school the opportunity to experience work within the service sector, and understand the opportunities available, is important. Gateway training helps students gain skills, experience, and kick-start a career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs in the sector.
2.2	Utilise ambassadors to engage with youth directly in schools.	Presenting the rewards of a service sector career to young people while they are still in schools would attract learners and their families, widening the pool of available talent interested in a service sector career (See also 1.1, 3.2 and 6.1).
2.3	Deliver ServiceIQ Māori cultural tourism camp	Young people can gain a better understanding of working in the service sector through participating in a tourism-focused programme that meets the requirements for NCEA and offers real-life service sector experience.

Increase access to and engagement with training



One of the biggest issues limiting skills development is access to training.

The reasons for this are various, such as workers having limited access to training materials and resources, or limited time for undertaking training, or a lack of support from within the workplace for accessing training.

#	Initiative	Description
3.1	Develop insights into return on investment in training	Many organisations see an inherent value to investing in the training of their staff, but it is often seen as having a social, rather than business, value. We need better information on how an investment in training can have a real and measurable impact on the bottom-line. ServiceIQ is undertaking research in 2017 looking at the value training can add to a business.
3.2	Embed standards and qualifications into the ambassador network	Accessible training is key to the development of a skilled workforce. Progressing staff through credits and qualifications should be at the core of recognition as a business leader (see also 1.1, 2.2 and 6.1).

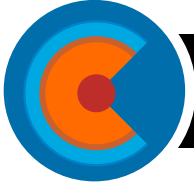
Develop and maintain high quality qualifications and programmes that meet the needs of industry



Education and training that does not meet industry's current or future needs is counterproductive.

Businesses need access to quality qualifications and training programmes tailored to the service sector if they are to attract and retain skilled workers who best meet their needs.

#	Initiative	Description
4.1	Develop a campaign and programme specific to the Taupō-Lakes district	A campaign centred around Taupō-Lakes can help businesses succeed by being able to attract, develop and retain great people with ServiceIQ on-job training programmes. ServiceIQ ran a Taupō-Lakes training-focused campaign in 2016, and this will be further extended into 2017.
4.2	Increase the number of Taupō-Lakes businesses with staff undertaking courses and/or qualified in qualifications designed for the service sector.	ServiceIQ fully reviewed and redeveloped its qualifications over a three-year period beginning in 2012 to ensure the qualifications are meeting the needs of industry. Good managers develop their staff; and people seek out employers who will develop them. If Taupō-Lakes businesses are engaging more of their staff in training, and/or employing well-qualified people, this will raise the skill levels of the sector.

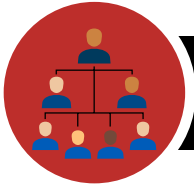


Increase productivity by developing core skills

Core skills are the 'glue' that binds vocational skills together.

The service sector has a significant opportunity to increase its productivity and profitability if it lifts the core skills of the people it employs.

Not identified as a priority issue by the Taupō-Lakes group.



Improve business and management capability

Business and management capability is fundamental to the success of any business and the service sector.

Quality management can make a business profitable, enable it to make better use of resources, and contribute to its sustainability. A good manager can ensure that worker skills are effectively utilised and best contribute to business objectives. Given the limited supply of skilled workers, effective skill utilisation is becoming more important.

#	Initiative	Description
6.1	Establish a Taupō-Lakes leadership and skills group, with links to smaller businesses.	The district has strong business leaders, this resource can be tapped by bringing together a group focussed on developing Taupō-Lakes leadership and driving the Taupō Lakes vision. Other businesses could learn from this group in a practical way (see also 1.1, 2.2 and 3.2).



Aviation

Aeronautical engineering and aircraft operation. Includes pilots, cabin crew, and aircrew; safety management; air traffic services; airline and airport operations; customer check-in; air cargo; and aviation ground support operations.

Museums

Includes all collections, art galleries, historical societies, and science centres – either volunteer or permanently staffed.

Tourism

Includes all aspects of visitor services; attractions; adventure providers; tourism guiding.

Travel

Including the management and operation of all forms of retail, wholesale and corporate based sales, packaging or brokering of inbound and outbound travel and tourism products – including store-based, online and travel reservation centres.

Accommodation

Includes all hotels, motels and other commercial accommodation establishments such as backpackers, hostels, holiday accommodation parks, bed and breakfasts, lodges, resorts, halls of residence and apartments.

Cafés, bars, restaurants

Includes licensed or unlicensed cafés, bars, taverns, pubs and restaurants.

Catering

Includes food service premises, on-premises catering and food services carried out in hospitals, residential, prisons, education facilities, offices, airports, factories and other workplaces, stadium and event catering, and off-premises catering.

Clubs

Includes licensed or unlicensed clubs such as sport and recreation clubs, social clubs, working men's clubs, cosmopolitan clubs, chartered clubs, town and country clubs, community clubs and Returned and Services' Associations.

Quick service restaurants

Includes fast-food and take-away national and regional chains, franchises and independent outlets.

Retail and retail supply chain

Includes the operation of all forms of consumer based sales of goods and services including store-based, online, national and regional chains, franchises and independent outlets.

Aviation

The aviation sector in Taupō-Lakes accounted for 75 jobs in 2015 (71 FTE) and fell by three per cent. In 2015, there were 31 aviation businesses, three more than in 2013, but still fewer than the 2009 peak of 35 business units.

Taupō-Lakes' aviation industry contributes \$7.41 million to GDP, and this dropped 3.6 per cent in 2015. Aviation makes a significant GDP contribution per FTE of \$107,350.

People working in the aviation sector were born either in New Zealand (68 or 87.2 per cent) or Europe (9 or 11.5 per cent).

Over 60 per cent of people are working between 30 and 49 hours a week

The sector is largely European (88.8 per cent) or Māori (15.1 per cent) and predominately male (74 per cent). The number of females entering the workforce was increasing until 2010 but it has steadily declined since then, alongside a drop in employment numbers.

Over 60 per cent of people are working between 30 and 49 hours a week.

The sector is contracting and while young people are still entering the workforce, it appears people are staying for longer and as a result there are fewer job openings; almost a third of the workforce is aged 50 years and over, and 5.6 per cent of the workforce is over 65 years old.

The Aviation sector has more qualified people working in the sector than the overall Taupō-Lakes workforce. 47.3 per cent hold a qualification at Level 4 or above compared to 38 per cent of the overall workforce and 41.8 per cent hold no qualification compared to 47.6 per cent of people employed in the Taupō-Lakes district.

While Air New Zealand overhauled its regional network in 2014, and discontinued a number of Taupō-Lakes flights, it appears employment in the sector was already on a downwards trend. Since 2011, there has been no new job growth and very few (three or four) replacement job openings each year.

While employment in the sector has been declining since 2011, the number of roles is forecast to stay the same over the next five years.

Gender in the Taupō-Lakes aviation sector



Museums

The museum sector in Taupō-Lakes is a small part of the service sector economy. It accounted for 23 jobs in 2015 (20 FTE) and grew by 17 per cent.

In 2015, there were two museum businesses in Taupō-Lakes, which was half of the previous year when there were four.

Taupō-Lakes' museums contributed \$1.49 million to GDP in 2015, which was up by 16.7 per cent on the previous year. The museum workforce has high labour productivity, and made a GDP per FTE contribution of \$75,614.

The sector is increasingly European (18 workers or 85.6 per cent) and female (15 workers or 65 per cent). The museum sector in Taupō-Lakes is ageing, in line with the national trend in that direction, and very few people under 30 are employed in the sector, while nearly a quarter (23.5 per cent) are 65 years or older.

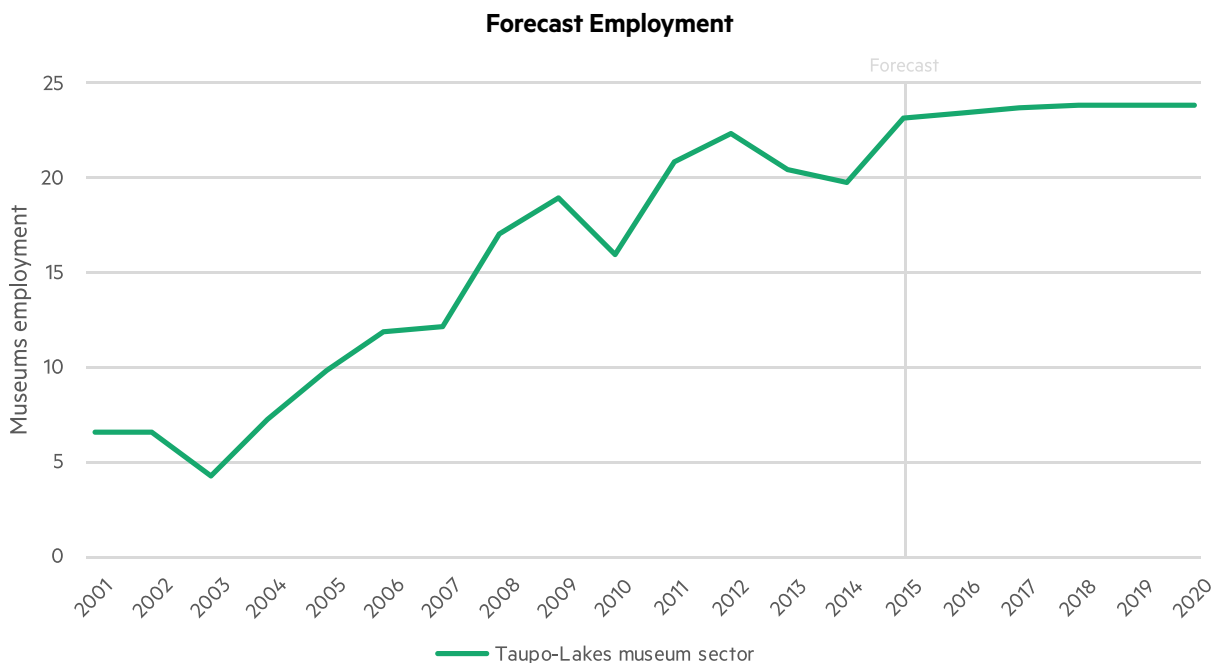
Employment in the museum sector has grown overall since 2000, but it experienced drops in 2003, 2010, 2013 and 2014

Most of the people working in the sector are born in New Zealand (15 or 72.2 per cent).

Half of the Taupō-Lakes museum sector workforce hold no qualification and almost one third hold a qualification at Bachelor's Degree level or above.

Most people are working in the museum sector full time (83 per cent), which is more than the national average (71 per cent).

Employment in the museum sector has grown overall since 2000, but it experienced drops in 2003, 2010, 2013 and 2014. Employment in the sector is set to stay at the 2015 rates over the next five years.



Tourism

The tourism sector is strategically important to New Zealand. Tourism intersects with the wider service sector, and both are reliant on each other's success. Tourism accounted for 3,221 jobs in 2015 (2,686 FTE) and had growth of 2.6 per cent. The number of tourism businesses in Taupō-Lakes increased from 534 in 2014 to 536 in 2015 (up 0.3 per cent).

The Taupō-Lakes tourism sector contributed \$135 million to GDP in 2015, which was an increase of 5.1 per cent on the previous year. The sector contributed \$50,120 to GDP per FTE.

The majority of people in tourism are working full-time (66 per cent) and there has been a decrease in the number of people working 50 hours or more (from 22.8 per cent in 2006 to 19.4 per cent in 2013).

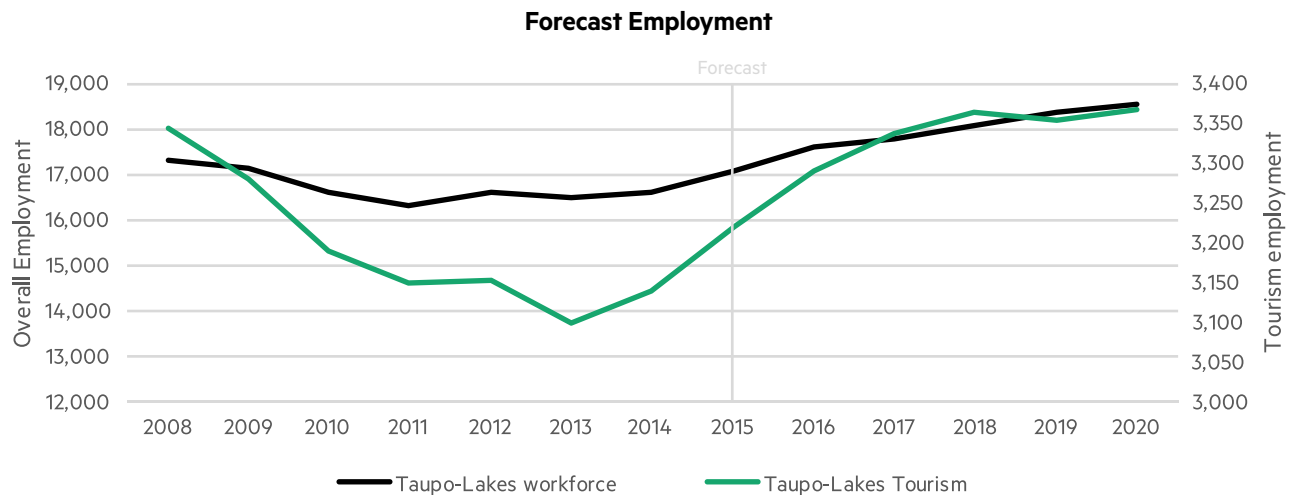
The tourism sector workforce is ageing – in 2006, over a quarter of the workforce was under 25 (26.2 per cent), by 2013, this had dropped to 22.8 per cent. The percentage of workers 55 years and over increased from 18 per cent to 23.2 per cent in the same period.

The sector is predominantly female (57 per cent of workers) but the gap has been narrowing as more males are employed in the sector (40 per cent in 2007 to 43 per cent in 2015).

Over half of the workforce have no post-school qualification (55.9 per cent) and 33.4 per cent of those have no qualification at all. In the five years to 2020, the fastest growth is forecast for high skilled roles⁵. Medium-high to high skilled roles will account for over half the new job openings and for 34.1 per cent of all jobs.

The tourism workforce in the Taupō-Lakes district is predominantly European (75.6 per cent) and Māori (23.4 per cent). Seventy-seven per cent of the workforce was born in New Zealand; this has fallen from 82.2 per cent in 2006. The number of workers born outside of New Zealand has increased, particularly from Europe (9.4 per cent) and Asia (7.5 per cent).

Employment in the tourism sector declined between 2008 and 2011, and briefly dipped again in 2013. The sector is forecast to grow strongly over the next three years, and return to peak employment levels



⁵ **Highly skilled** occupations typically require a bachelor degree or higher qualification and (NZQF Level 7 or higher) include professionals such as accountants, teachers, and engineers, as well as most managers such as chief executives. **Medium-high skilled** occupations typically require an NZQF Diploma, an Associate Degree or Advanced Diploma (NZQF Level 5-7). The category includes some managers (such as retail managers) and technicians (such as architectural draftspersons, ICT support technicians and dental hygienists). **Medium skilled** occupations typically require an NZQF Level 4 qualification. The category includes tradespersons (such as motor mechanics), skilled service workers (such as firefighters), as well as skilled clerical and sales workers (such as legal secretaries and estate agents). **Low skilled** occupations typically require an NZQF Level 3 qualification or lower (NCEA Level 3 or lower). It includes a range of lower skilled occupations from general clerks, caregivers, and sales assistants, through to cleaners and labourers.

Travel

The Taupō-Lakes travel sector accounted for 58 jobs in 2015 (52 FTE) and declined by 1.2 per cent. Overall, the number of people employed in the sector has decreased by 42 per cent from 2006.

The travel sector contributed \$2.47 million to Taupō-Lakes' GDP in 2015, which was an increase of 0.6 per cent on the previous year. The GDP per FTE contribution was \$47,057.

In 2015, there were 26 travel-related businesses in Taupō-Lakes, which was up by 13 per cent (three businesses) on the previous year. Over a quarter of people working in the travel sector are self-employed (16 or 27.9 per cent) compared to 19.9 per cent of the overall Taupō-Lakes workforce. The number of people self-employed in Taupō-Lakes' travel sector, and the Taupō-Lakes workforce generally, has been going down since 2000, when it was 31.8 per cent and 26.5 per cent respectively.

Most people working in the sector were born in New Zealand (47 or 80.9 per cent) and Europe (eight or 14 per cent).

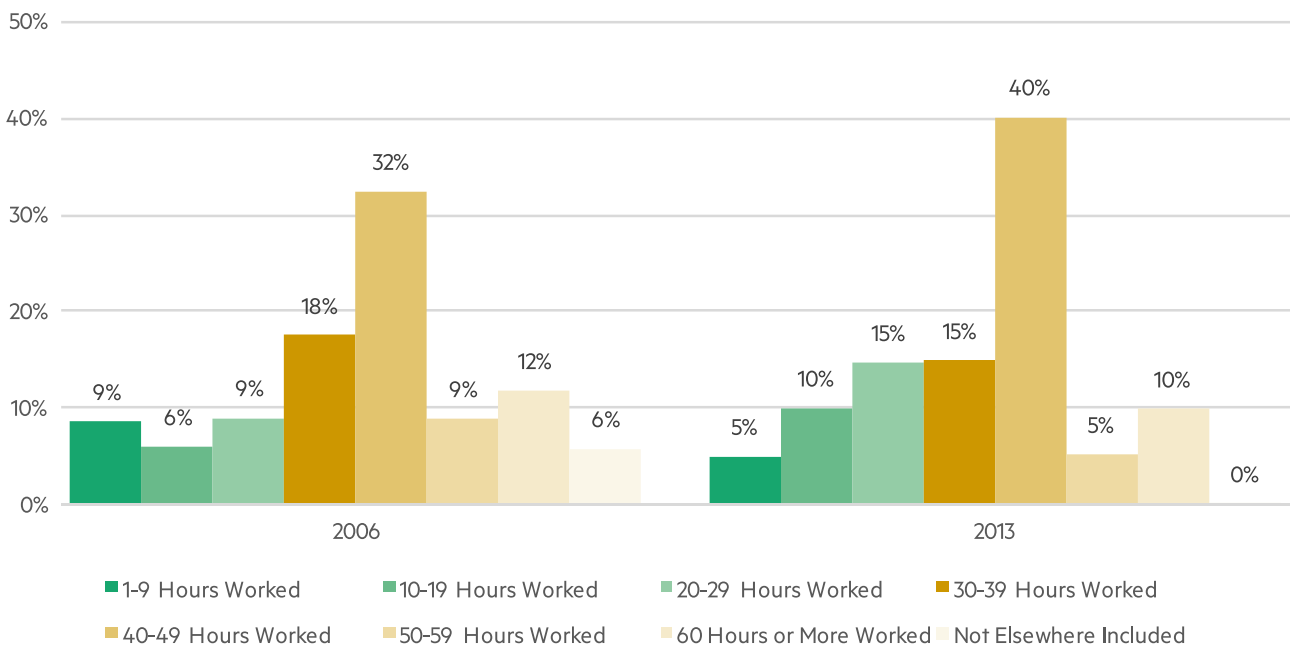
The sector is attracting fewer young people than it was in 2006, but this is possibly a reflection of the lack of new job openings.

More than half of the people employed are female (34 or 58 per cent) and this has largely stayed the same since 2000 as employment has declined.

Most people working in the travel sector are working full time (76 per cent), and people are working slightly longer hours overall than they were in 2006. This may indicate that fewer people are doing more of the work, particularly given GDP per FTE has steadily risen since 2009.

People working in Taupō-Lakes' travel sector are well qualified compared with the total Taupō-Lakes workforce. Only 31.2 per cent hold no qualification compared to 47.6 per cent of the Taupō-Lakes workforce and 44.8 per cent hold a qualification at Level 4 and above.

2006 and 2013 travel workforce by hours worked



Employment in the travel sector has been dropping overall, which is similar to the trends in the travel sector being seen nationally. While employment is likely to remain fairly static over the next five years, it is unlikely employment will return to its 2009 peak.

Accommodation

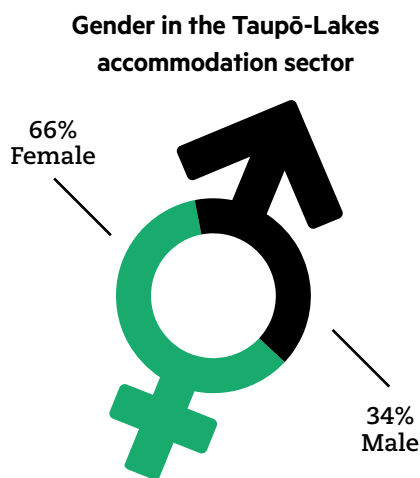
The accommodation sector in Taupō-Lakes accounted for 995 jobs in 2015 (820 FTE) and grew 6.6 per cent.

Accommodation contributed \$29.7 million to Taupō-Lakes' GDP in 2015, which was an increase of 10.6 per cent on 2014. Accommodation contributed \$36,245 to GDP per FTE.

In 2015, there were 134 accommodation businesses in Taupō-Lakes, which was a decrease of 13.7 per cent on the previous year (22 businesses). The sector appeared to be returning to its 2006 peak in 2014 but dropped back in 2015.

The sector is mostly European (73.3 per cent or 699 people) or Māori (22.7 per cent or 216 people), while Asian make up 9.8 per cent (94 people) and Pasifika 3.3 per cent (31).

Most of the people working in the sector were born in New Zealand (700 or 73.3 per cent), 22.4 per cent less than in 2006. The number of people working in the sector born in an Asian or African country has increased 48.5 per cent to 101 people (or 10.6 per cent of the accommodation workforce).



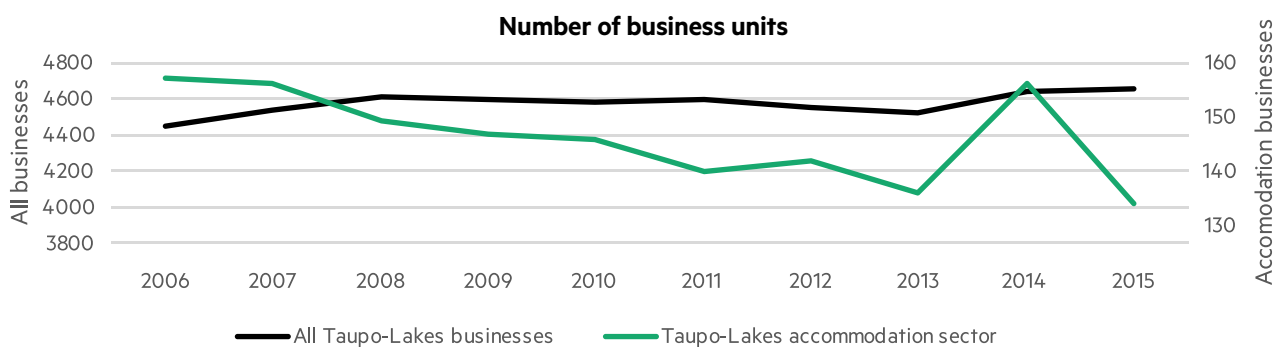
The sector appears to attract and retain staff from across the age spectrum (from 15 years to over 65) and is a significant employer of people aged 65 years and over (103 people or 10.8 per cent). While fewer people aged 15-24 years are employed in the sector than in 2006, this does appear to align with an overall drop in employment, with the 40-44 years and 65 and over age groups being the only ones to see increases between 2006 and 2013.

The accommodation sector employs more females than males, but this has slowly changed over time as the general workforce has contracted (currently 66 per cent versus 34 per cent).

Over half the people working in the accommodation sector are working full-time (59 per cent). Since 2006, people have been working longer hours, although the trend is towards part-time employment.

More than half of people have no post-school qualifications (549 people or 57.6 per cent), which is higher than the accommodation sector nationally (50.1 per cent). Medium-high and high skilled roles make up 43 per cent of accommodation sector roles, while only 17.7 per cent of the people working in this sector hold a qualification at Level 5 or above, which indicates a potential skills shortfall.

Between 2006 and 2014, employment in the accommodation sector steadily declined. While the sector is not expected to return to its peak 2005 levels, it is set to grow over the next three years.



Cafés, bars and restaurants

The café, bar and restaurant sector in Taupō-Lakes accounted for 914 jobs in 2015 (734 FTE) and grew 2.3 per cent.

In 2015, there were 114 cafés, bars or restaurant businesses in Taupō-Lakes, which was down by 2.7 per cent on the previous year (four businesses).

Cafés, bars and restaurants in Taupō-Lakes contributed \$28.2 million to GDP in 2015, which was an increase of 6.6 per cent on 2014. Cafés, bars and restaurants contributed \$38,385 GDP per FTE.

The sector is predominately European (71.3 per cent or 643 people) and Asian (13.1 per cent or 118 people).

Half of the sector is comprised of people aged between 15 and 29 years (453 people), and the workforce is not ageing as fast as the rest of the country.

Most of the workforce (71.4 per cent or 643 people) were born in New Zealand and 111 were born in Asia (12.3 per cent).

*Half of the sector is comprised of people aged between **15 and 29 years***

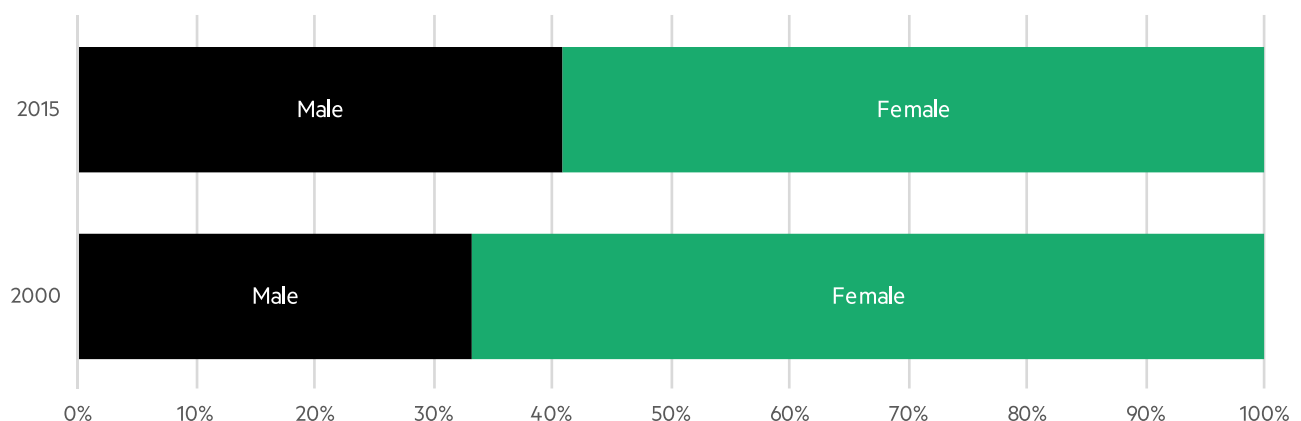
Females outnumber males (59 per cent versus 41 per cent); however, the number of men employed in the sector has increased 48 per cent since 2000, while the number of women has increased by six per cent.

557 people work full-time in the café, bars and restaurant sector, which equates to 62 per cent of the workforce. The number of people working between 20 and 49 hours has increased over time, but fewer people are working 50 or more hours (since 2006).

Over half of people have no post-school qualifications (59.7 per cent), while one third (33.4 per cent) hold a qualification at Level 4 or above.

The café, bar and restaurant sector had a drop in employment growth in 2009 and again 2014 but has otherwise grown steadily. The sector is forecast to reach an employment peak in 2018 but drop away after that.

Share of employment by gender



Catering

Catering in Taupō-Lakes accounted for 73 jobs in 2015 (61 FTE), which was a decrease on the previous year (1.8 per cent).

The number of catering businesses in Taupō-Lakes dropped from 23 in 2014 to 21 in 2015 (5.4 per cent decrease).

The Taupō-Lakes catering sector contributed \$4.68 million to GDP in 2015, which was an increase of 3.4 per cent on 2014. The sector contributed \$77,049 to GDP per FTE.

The sector is predominately European (74.1 per cent or 56 people), Māori (24.1 per cent or 18 people) and Asian (14.3 per cent or 11 people).

Taupō-Lakes' catering sector has fewer young people, and a greater number of older people, working in it than the sector nationally.

The majority of the people working in the sector were born in New Zealand (74.9 per cent or 57 people), and Asia (9.8 per cent or seven people).

While females currently outnumber males in the catering sector (58 per cent versus 42 per cent), men are entering the workforce at a higher rate than women.

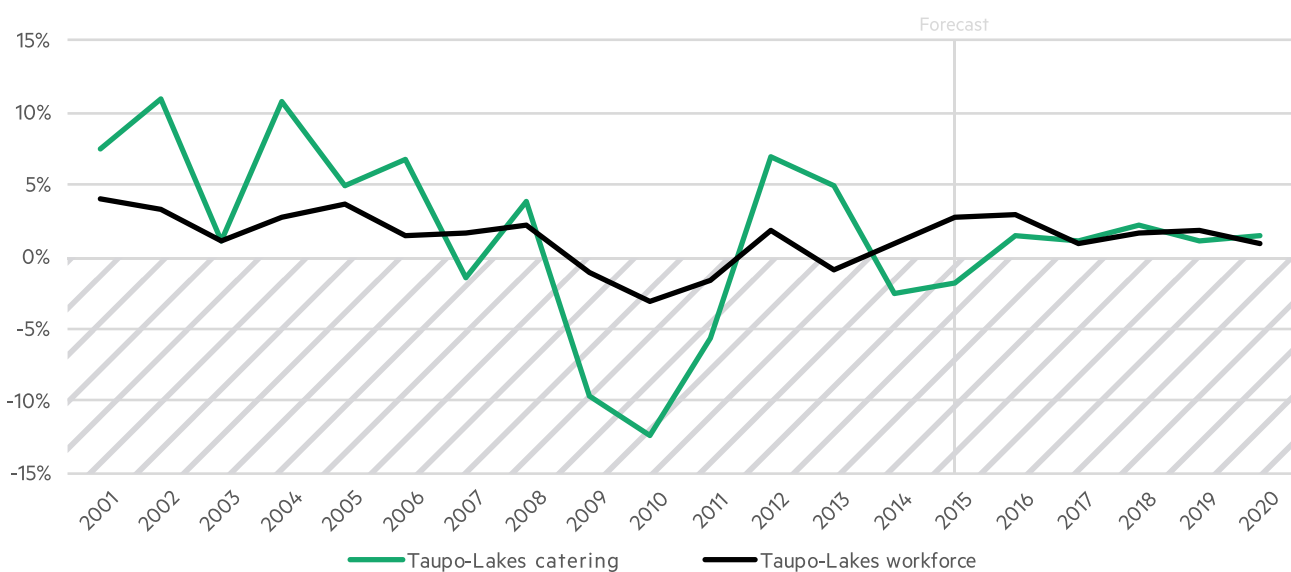
Fifty-six per cent of people in Taupō-Lakes' catering sector are working full time, compared with 63 per cent around the country, and the trend is towards fewer hours.

56% of people in Taupō-Lakes' catering sector are working full-time, compared with 63% around the country

Since 2006, more people working in catering have post-school qualifications. Forty-five per cent have no post-school qualification, compared to 54 per cent in 2006. Over a third are qualified to at least Level 4, including 11 people who have a Bachelor's Degree or higher (13.9 per cent).

Employment in the catering sector dropped in 2007, and again throughout 2009, 2010 and 2011. The sector has not experienced any new job growth in the past two years, but is forecast to start growing over the next five years.

Forecast employment growth



Clubs

In 2015, clubs in Taupō-Lakes accounted for 72 jobs (55 FTE), which was an increase of 5.4 per cent on the previous year. There were 11 clubs operating in Taupō-Lakes in 2015.

The Taupō-Lakes clubs sector GDP contributions increased 9.1 per cent in 2015 to \$2.25 million. The sector contributed \$40,582 to GDP per FTE.

The sector is predominately European (68.6 per cent) and Māori (44.5 per cent).

The clubs sector is employing more people aged 15-19 years than it was in 2006, but fewer people aged between 20 and 39 years.

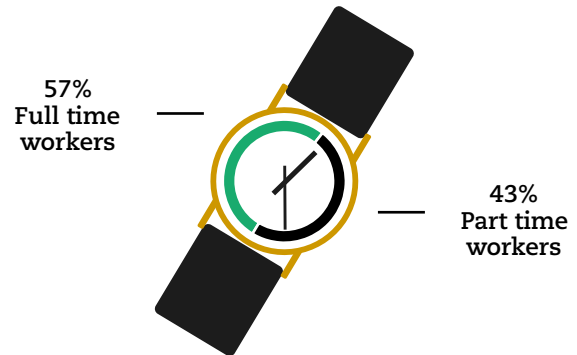
The majority of the people working in the sector were born in either New Zealand (78.3 per cent or 53 people) or Europe (13 per cent or nine people).

Females outnumber males working in clubs (60 per cent versus 40 per cent) but men are slowly evening up the difference.

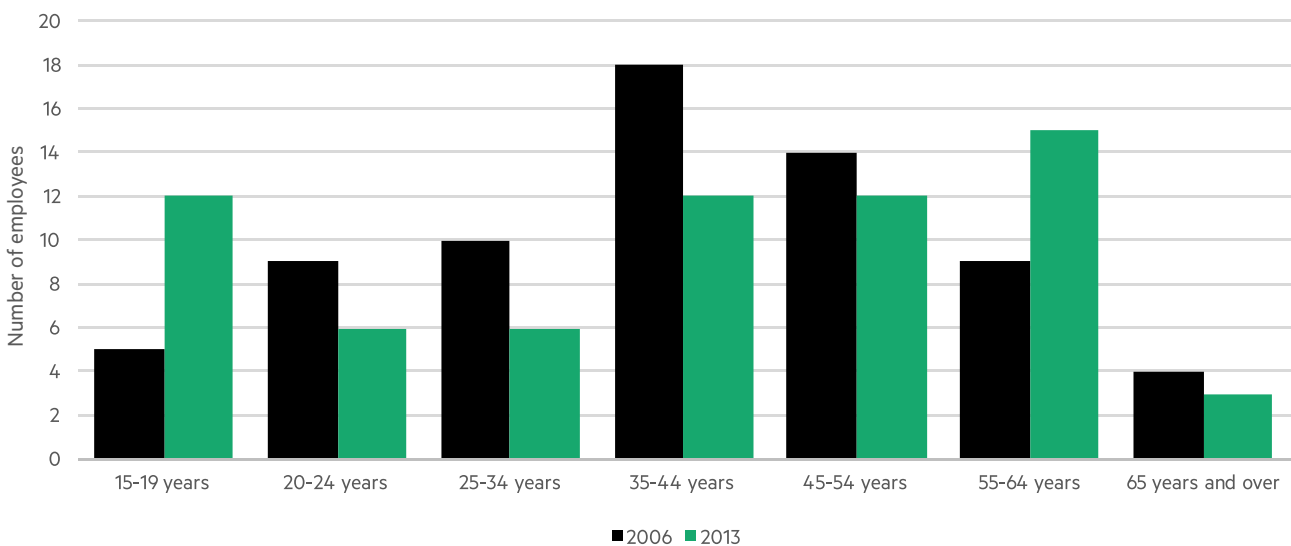
Fifty-seven per cent of people in the clubs sector work full time (compared with 55 per cent nationally).

Just on half the staff have no post-school qualifications (51.7 per cent or 35 people), while 18.4 per cent hold a qualification at Level 4 or above.

The clubs sector reached peak employment levels in 2015, and is not forecast to grow further over the next five years.



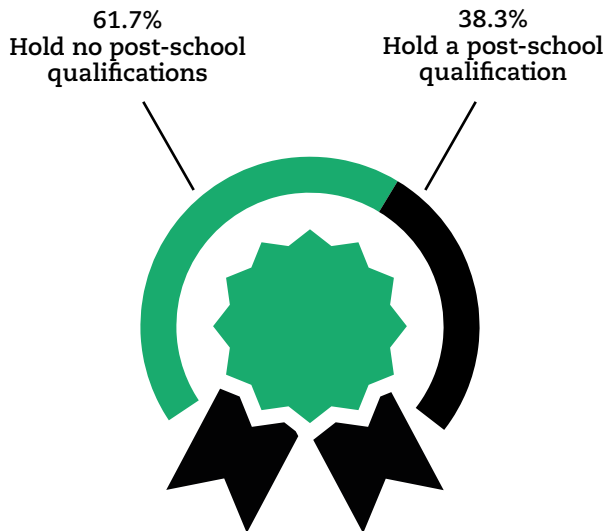
Employment by age, 2006 and 2013



Quick Service Restaurants

Taupō-Lakes' quick service restaurants accounted for 171 jobs in 2015 (131 FTE). There were 34 quick service restaurants in Taupō-Lakes, which was an increase of 30.8 per cent on the previous year (eight businesses).

Quick service restaurants contributed \$4.84 million to Taupō-Lakes' GDP in 2015, and this grew four per cent. Quick service restaurants made a GDP per FTE contribution of \$37,013.



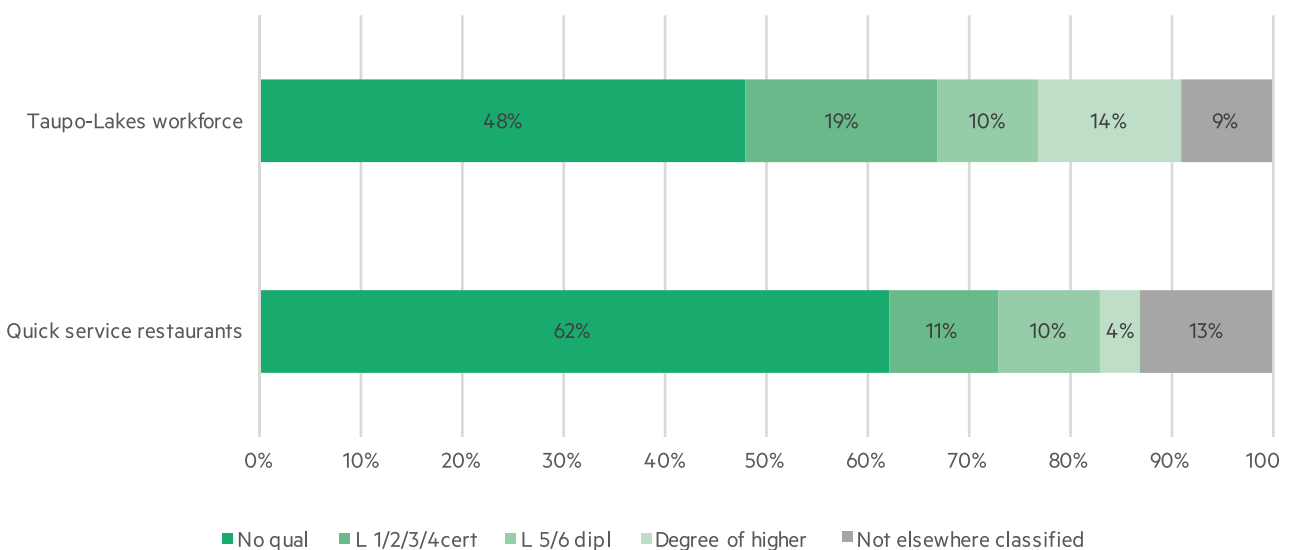
The sector is predominately European (60.9 per cent), Asian (28.3 per cent) and Māori (21.7 per cent). More women than men work in Taupō-Lakes' quick service restaurants (53 per cent compared with 47 per cent), but the percentage of men has increased over the years.

The number of people working in quick service restaurants who were born in New Zealand has decreased from 87.2 per cent in 2006 to 65.9 per cent in 2013 (99 people). The number and percentage of people from Asian countries has increased and this now represents a quarter the workforce at 37 people (from 10.3 per cent in 2006 to 25 per cent in 2013).

Over 60 per cent of people working in the quick service restaurants sector are working full time, which is higher than the national average (51 per cent).

While the majority of people working in quick service restaurants have no post-school qualifications (92 workers or 61.7 per cent), this number has decreased since 2006. The number of young people working in the sector, some of which will still be in school or training, will account for some of this (29.8 per cent are aged 15-19 years and 19.1 per cent are aged 20-24 years). A third of jobs in the quick service restaurant sector are considered medium-high to highly skilled and this indicates that there is a potential skill shortfall, particularly at Levels 5 and above.

Employment by highest post-school qualification



The quick service restaurant sector has grown overall since 2002, but has experienced periodic drops in employment every three years or so. Employment in the sector is forecast to grow steadily overall over the next five years.

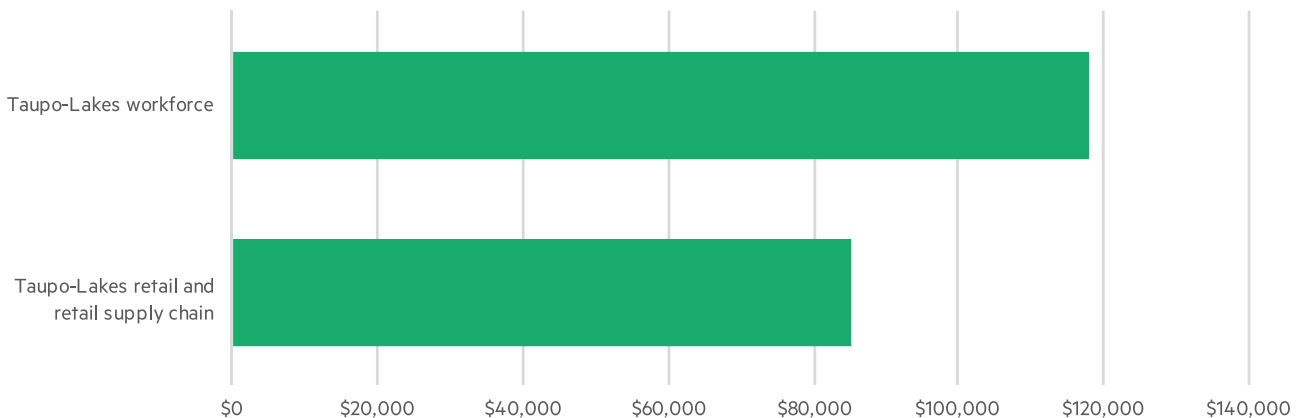
Retail and retail supply chain

The retail and retail supply chain sector is the biggest sector within the service sectors. Retail and retail supply chain accounted for 2,573 jobs in 2015 (2,209 FTE) and had growth of 2.4 per cent.

The number of retail businesses increased from 560 in 2014 to 603 in 2015 (up 7.8 per cent).

The Taupō-Lakes retail and retail supply chain GDP contributions increased 4.6 per cent in 2015 to \$188 million. The sector contributed \$85,076 to GDP per FTE.

Labour productivity (GDP per FTE) in retail and retail supply chain

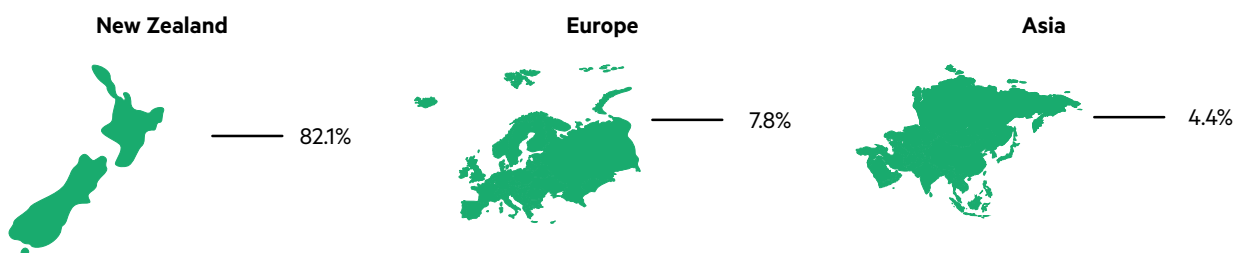


The sector is predominately European (82.3 per cent or 2,065 people) or Māori (18.1 per cent or 454 people). Māori are accounting for fewer workers than in 2006 (from 478 to 454), while there have been increases in the number of Pasifika and Asian workers.

The sector is employing fewer people aged 15-19 years than it was in 2006 – from 323 to 231. The largest age groups employed in the sector are 40-44 years and 50-54 years (11.3 per cent and 10.8 per cent respectively).

Most people working in Taupō-Lakes' retail sector were born in New Zealand (82.1 per cent or 2,060 people); 7.8 per cent were born in Europe (196 people) and 4.4 per cent in Asia (111 people).

Retail and retail supply chain sector by country/region of birth



Females outnumber males in the retail and supply chain sector (58 per cent versus 42 per cent).

While the retail sector accounts for a large proportion of part-time and casual work, the majority of people in the retail and retail supply chain sector are working full time (72 per cent).

While over half of people working in the retail sector have no post-school qualifications (60.3 per cent or 1,513 people), people are increasingly becoming more qualified with a 25.6 per cent increase in the number of people qualified at a Bachelor's Degree or higher.

The retail and retail supply chain sector experienced dips in employment growth in 2007, and from 2009 to 2013. The sector is forecast to grow consistently over the next five years, but it is unlikely to return to its peak 2008 employment levels over this time.

AVIATION ▲ TOURISM ▲ TRAVEL ▲ MUSEUMS ▲ CATERING
CAFES, BARS, RESTAURANTS ▲ QUICK SERVICE RESTAURANTS
CLUBS ▲ ACCOMMODATION ▲ RETAIL AND RETAIL SUPPLY CHAIN

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